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DATE 7/15/57
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SUBJECT: "Consultants Program" in the Light of Present and Future Developments

TO : Department of State
German Affairs Bureau
2145 "C" Street
Washington, D.C.
Attention: Mr. Ropshaw

FROM : Carl H. Nordstrom
Chief, Scientific Research Division

1. No change from Occupation Status to a contractual basis; German participation in Western Defense; and certain other developments raise the question as to their effect on the future of the "Consultants Program" and related matters.

2. The contractual agreements which the Allies are about to negotiate with the German Federal Republic will reduce Allied controls to that minimum required to achieve long-range objectives. We have already made our recommendations as to the long-range objectives in the field of scientific research, one of which is to

"render advice, assistance and support within our means to interested German agencies and to German scientists on matters pertaining to scientific research and its related fields in order to promote the westward orientation of German scientists".

It is not anticipated that a contractual agreement will effect the operation of the "Consultants Program" since it is voluntary on the part of the Germans. However, their retainer fees are paid out of Occupation Costs and it is very questionable if they can so be budgeted in the future. A few of our Consultants will be willing to serve without compensation but to maintain an effective program funds will be absolutely essential. We request your consideration of the following two questions:

- (a) Will future policy permit the payment of Consultant's retainer fees out of Occupation Costs?
- (b) If not, will other funds be provided for this purpose?

3. With the participation of the German Federal Republic in Western Defense it becomes increasingly important to prevent key German scientists and significant scientific and technical information from going to the East. Therefore we believe it essential that the "Consultants Program" be continued and expanded. It is likely that German scientists, engineers and German research establishments will be permitted to participate in such research programs as may be organized.

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MEMORANDUM TO: Department of State
Attention: Mr. Hopshaw

SUBJECT: "Consultants Program" in the light of Present and Future Developments

by NATO countries in the interests of Western Defense. Our Consultants should be most useful in such a program, either as research workers or as advisors. However, their participation in such a program will increase their importance and some of them will, in effect, become key scientists. Therefore, our policy that should such a scientist fall into the hands of a potentially hostile power it would constitute a threat to the security of the United States, assumes significance. It is likely that German participation in the development of war weapons will be limited to certain fields; therefore there will be a corresponding shift in the rating of German scientists as to security importance, perhaps towards electronics and engineering. It is recommended that

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- (a) our policy, that there are German scientists of such importance that should they fall into the hands of a potentially hostile power would constitute a threat to the security of the United States, be maintained and emphasized;
- (b) the implementation of the above policy through a "Consultants Program" and related measures remain in effect but be amended and expanded in line with present and future developments;
- (c) the several JIRA Lists be periodically reviewed in order to keep them in line with such developments.

4. The problem of how to support refugee scientists from the East is becoming more acute as indicated in a report from Mr. Biermann, attached at Tab 1 and a report from Mr. Coster, attached as Tab 2. The problem has been discussed informally with the Office of Intelligence, HICOG, along the following lines:

- (a) Scientific Research Division upon interviewing a new arrival would forward immediately curriculum vitae to the Scientific Division, Office of Intelligence, HICOG, for arrangement of Intelligence interviews in coordination with other Intelligence agencies;
- (b) Scientific Research Division would request the more reliable Consultants for information as to new arrivals;
- (c) Scientific Research Division should be authorized to employ new arrivals as Consultants on a temporary basis in order to stimulate future defections and to create the necessary good will;
- (d) Scientific Research Division should have available "confidential funds" for payment of a sum, perhaps equivalent to a month's Consultant fee, at the first meeting to tide the individual over until he is otherwise able to maintain himself;
- (e) Scientific Research Division should be authorized to issue travel authorizations to such refugees to facilitate the search for employment;

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- (f) during the period of Intelligence interviews individual will be paid a suitable fee by the Intelligence agencies;
- (g) after Intelligence interviews individual reverts to Consultant status at Scientific Research Division discretion with advice and recommendations from the Intelligence agencies if desired.

It is intended to discuss these points formally in the very near future and it is anticipated that agreement will be reached as indicated above. It is our feeling that a similar procedure would be useful in making and arranging Intelligence interviews with any German scientist. We shall formulate such a proposal for discussion here. In order to implement such a program it is requested that:

- (i) authority be granted to Scientific Research Division to employ refugee scientists from the East as Consultants on a temporary basis;
- (ii) the authority of the Scientific Research Division to grant travel authorizations within Western Germany to Consultants be expanded to include other German scientists when their travel is in the interest of the United States;
- (iii) consideration be given to the use of "confidential funds" for the purposes indicated above.

5. As we have already indicated by cable, certain German scientists jailed for war crimes have been released or are about to be released. We are presently discussing this matter with the British and will inform you of the results. It is our belief that we should make every effort to contact such scientists and should use all support within our means to influence them to stay in the West. Therefore, we request agreement to the following procedure:

- (a) Scientific Research Division will make every effort to contact such scientists, forwarding to you a curriculum vitae and any other particulars which may be learned during interviews, including suitability for employment outside of Germany;
- (b) Scientific Research Division will employ such scientists as Consultants on a temporary basis when deemed necessary in the interests of the United States;
- (c) we will be informed of policy with respect to eventual employment of such scientists in the United States or in other countries.

6. It is obvious from the above that we are in desperate need of funds to implement the various aspects of our program, as a matter of fact, without such funds we are helpless to take counter-measures against Communist activities in the field of science. A request, copy of which is attached at Tab 3, for the use of five percent counterpart funds for such purposes was made on August 19, 1950. I learned today that because of legal technicalities it is impossible to grant this request. Because the implementation of

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MEMORANDUM FOR: Department of State
Attention: Mr. Roper

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such a program is of great importance scientifically and provides us with
an extremely effective weapon to fight the "cold war" it is strongly
recommended that funds for these purposes be provided from other sources.

Carl H. Nordmark
CARL H. NORDMARK
Chief, Scientific Research Division
Military Security Board

An identical Memorandum is being transmitted directly, under separate
cover, to:

Colonel Daniel E. Ellis
Dir., Joint Intelligence Objectives Agency
Joint Chiefs of Staff
The Pentagon, Washington, D.C.

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